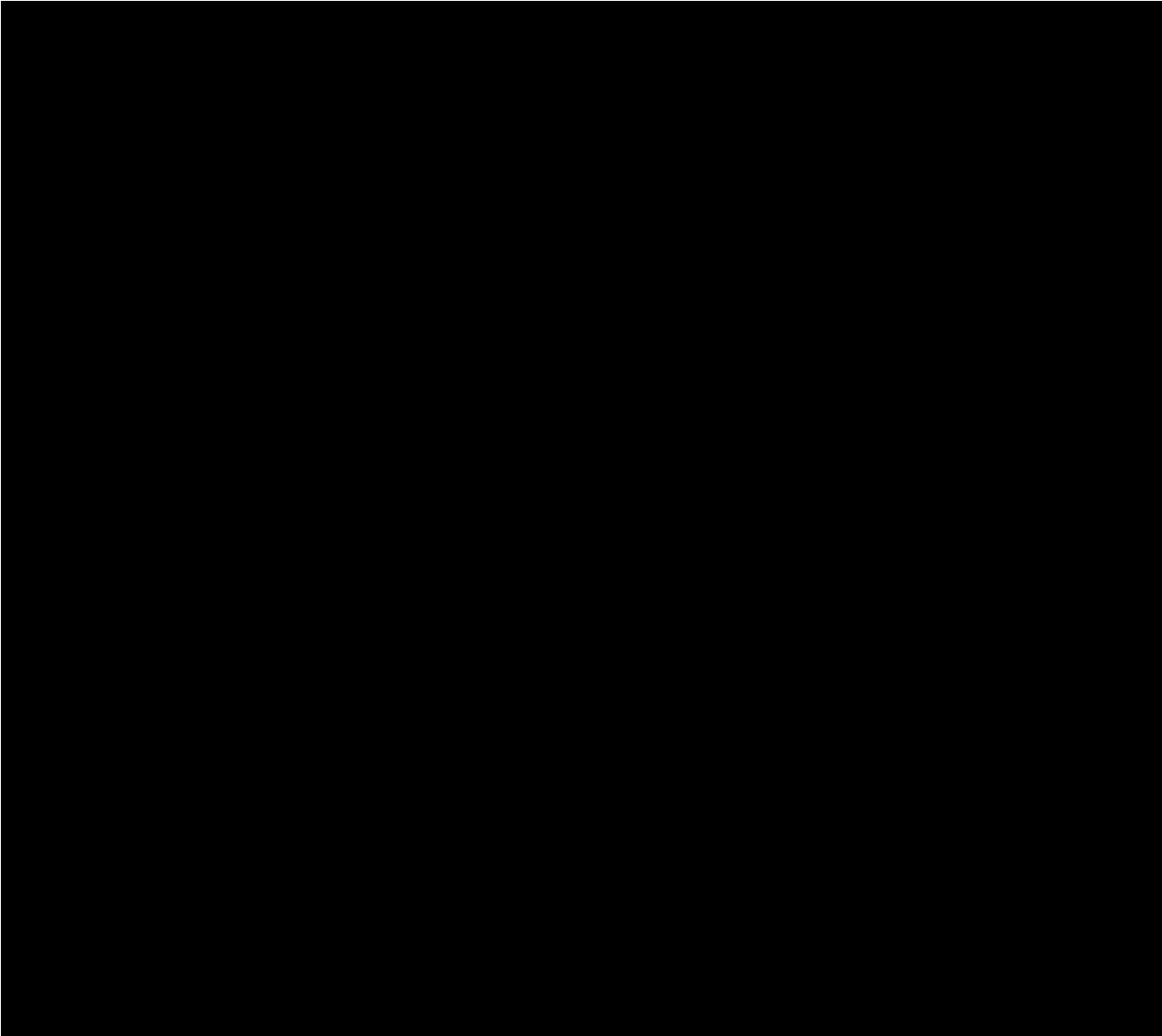


EXHIBIT A



From: Hochhalter, Kathleen <Kathleen.Hochhalter@ed.gov>
Sent: Friday, January 10, 2025 3:23 PM
To: Neal R. Heller <nheller@hi.edu>
Cc: Crim, Susan <Susan.Crim@ed.gov>
Subject: U.S. Department of Education Notification – Cortiva Institute

CAUTION: This email originated outside of **HI.EDU** or **Cortiva.EDU**, DO NOT click on any links or attachments unless you recognize the sender and know the content is safe. When in doubt, contact your supervisor or Morsecom Technology Division.

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Please see the attached U.S. Department of Education notification dated January 10, 2025; the original was sent to you via UPS. If you have any questions, please contact me at Kathleen.Hochhalter@ed.gov.

Kathleen Hochhalter
Administrative Actions and Appeals Service Group
Federal Student Aid
303 844 4520
Kathleen.Hochhalter@ed.gov



JAN 10 2025

Neal Heller
President/CEO
Cortiva Institute
808 West I-20, Suite 100
Arlington, TX 76017

Sent via UPS
Tracking # 1Z 37X 7Y3 01 1238 8982
Sent via email to: nheller@hi.edu
OPE-ID: 02279601

Dear Mr. Heller:

This is to inform you that the United States Department of Education (Department) intends to terminate the eligibility of the Massage Therapy Program offered by Cortiva Institute (Cortiva) at its Arlington, Texas location for participation in programs authorized by Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 *et seq.* (Title IV). The Department is taking this action under the authority of 20 U.S.C. § 1094(c)(1)(F), and the Department's regulations at 34 C.F.R. § 600.41(b)(1) and Part 668, Subpart G. Those regulations set forth the procedures and guidelines that the Department has established for terminating the eligibility of an educational program under the Title IV programs. This termination action is based on the failure of the Massage Therapy Program offered by Cortiva at its Arlington, Texas location to satisfy the relevant statutory and regulatory requirements that define program eligibility for purposes of an institution's participation in the Title IV programs.

Cortiva participates in the Title IV programs as a proprietary institution of higher education. See 20 U.S.C. §§ 1001, 1002(b)(1); 34 C.F.R. § 600.5. In order for a student to be eligible for Title IV funding, he/she must be enrolled in an eligible program at an eligible institution. 34 C.F.R. § 668.32(a)(1)(i). To qualify as an eligible program for purposes of Title IV funding, that program must be legally authorized by the state in which it operates. See 34 C.F.R. §§ 600.2 (definition of educational program), 600.5(a)(4), 600.9, 668.8(a). For purposes of state authorization, institutions must comply with all applicable state approval or licensure requirements. 34 C.F.R. § 600.9(a)(1). Where a state authorizes/approves an educational program for a specific number or clock or credit hours, the eligibility of that program under Title IV is limited to that specific number of authorized/approved hours. See 20 U.S.C. § 1001(a)(2); 34 C.F.R. § 600.2; 600.9, 668.8(a). An educational program loses its eligibility on the date the program fails to meet any of the eligibility requirements in 34 C.F.R. Part 600. 34 C.F.R. § 600.40(a)(1)(i).

In 2019, Cortiva submitted a change of ownership application to the Department. That change of ownership application included the Cortiva additional location in Arlington, Texas. When the Department reviewed the request for a change of ownership, Department staff only reviewed the general state licensing document from the Texas Department of Licensing and Regulation (TDLR) that was provided by the institution during its application process. Specific programmatic documentation was not requested during that process. At that time, the program length listed in the

Department records for the existing Massage Therapy Program at the Cortiva Arlington location was 600 clock hours. This matched the accreditor approval documents that the Department also had in its files.

Subsequent to the change in ownership approval, the Department obtained information from TDLR establishing that the Massage Therapy Program offered at the Arlington, Texas location was only authorized by the state for 500 clock hours of instruction. Enclosure A. TDLR informed the Department that it did not have the authority to approve hours in massage programs over the 500 clock hours of instruction needed for licensure in the field. This information affected the program's Title IV eligibility, since the Department cannot approve a program for Title IV purposes for more than the number of clock hours authorized by the state.

The Department first raised its concerns about the issue with Cortiva in the context of court litigation on a separate matter. In response, Cortiva provided information it obtained from the general counsel of TDLR which it claims establishes that the 600 clock hour massage program did have state approval. Contrary to Cortiva's claim, the information provided by TDLR's general counsel does not establish that the massage program was authorized for more than 500 clock hours. In fact, in the email to counsel for Cortiva dated July 30, 2024, the general counsel confirmed that TDLR cannot "approve" or "authorize" a massage therapy program for over 500 clock hours of instruction because it does not have the authority to do so. Although, the general counsel did state that Cortiva is not prohibited from offering voluntary hours over the 500 clock hours so long as the students are informed that they are not required to take those hours, that is significantly different than an actual authorization by the state to provide the hours. The state's authorization of the Massage Therapy Program is for 500 clock hours of instruction.

By letter dated December 4, 2024, Cortiva was notified again that the Department had determined the institution's 600 clock hour Massage Therapy Program offered at the Cortiva Arlington location was not eligible for Title IV funding because it exceeded the 500 clock hours authorized by the state. Cortiva was provided an opportunity to remedy the issue by submitting an application for a 500 clock hour massage program. The Department also informed Cortiva that it would work with the institution on timing while it sought accreditor approval for the lower number of clock hours. By letter dated December 13, 2024, Cortiva notified the Department that it would not take steps to reduce the clock hours in the massage program because it disagreed with the Department's position on the issue.

Since Cortiva's 600 clock hour Massage Therapy Program is not authorized by TDLR, the program does not meet the definition of a Title IV eligible educational program. Cortiva has refused to remedy the issue by applying to the Department for approval of a 500 clock hour program. Consequently, the Department has no choice but to initiate an action to terminate the program's eligibility under the Title IV programs.

Termination of the eligibility of the Massage Therapy Program offered by Cortiva at its Arlington, Texas location under the Title IV programs will become final on January 30, 2025, unless we receive by that date one of the following: 1) a request for a hearing to be conducted by

the Office of Hearings and Appeals; or 2) a request for reconsideration of the termination by submitting written material indicating why the termination should not take place. If Cortiva chooses to request a hearing or to submit written materials, you must write me at:

Administrative Actions and Appeals Service Group
U.S. Department of Education
Federal Student Aid
830 First Street, NE (UCP-3, Room 92G4)
Washington, DC 20002-8019

If Cortiva requests a hearing, the case will be referred to the Office of Hearings and Appeals, which is a separate entity within the Department. That office will arrange for assignment of the case to a hearing official, who will conduct an independent hearing. Cortiva is entitled to be represented by counsel at the hearing and otherwise during the termination proceedings. If Cortiva does not request a hearing, but submits written material instead, the Department will consider that material and notify Cortiva whether the termination will become effective, will be dismissed, or limitations will be imposed. The consequences of termination are set forth in 34 C.F.R. §§ 600.41(d), 668.95.

If Cortiva neither requests a hearing nor submits written material by January 30, 2025, this proposed termination will become the final decision of the Department with respect to the Massage Therapy Program Cortiva offers at its Arlington, Texas location and will be effective with respect to Title IV program transactions on or after December 13, 2024, the date Cortiva was to notify the Department of the steps taken to reduce the hours in the Massage Therapy Program. See 34 C.F.R. § 600.41(c)(2).

If you have any questions or desire any additional explanation of Cortiva's rights with respect to this action, please contact Kathleen Hochhalter of my staff at Kathleen.Hochhalter@ed.gov.

Sincerely,



Susan D. Crim
Director
Administrative Actions and Appeals Service Group

Enclosure

cc: Michale McComis, Executive Director, Accrediting Commission of Career Schools
and Colleges, via mccomis@accsc.org
Courtney Arbour, Executive Director, Texas Department of Licensing and Regulation, via
Courtney.Arbour@tdlr.texas.gov
Department of Defense, via osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil
Department of Veteran Affairs, via INCOMING.VBAVACO@va.gov

Consumer Financial Protection Bureau, via CFPB_ENF_Students@cfpb.gov